

Surcharges.

Receiver, Immigration Department, Wellington, £36.

(NOTE.—The Audit Office having found on examination made that there was an amount of £36 paid to the Receiver, Immigration Department, as a nomination fee for an assisted passage which he failed to bring to charge in his cash-book and bank in compliance with Treasury Regulations, which sum was shown to have been stolen from his office, a surcharge was issued against the Receiver, under section 65 of the Public Revenues Act, 1910. He appealed to the Minister of Immigration under section 67 of the Public Revenues Act, who decided to relieve him of three-fourths of the said surcharge and ordered payment of one-fourth part of the amount, which was paid accordingly.)

Command Paymaster, Wellington District, £155 12s.

(NOTE.—Imprest moneys not being accounted for as required by law, and the evidence relating thereto disclosing that a loss of the above-named amount had occurred through the imprestee's fault and negligence within the meaning of section 65 (e) of the Public Revenues Act, a surcharge was accordingly issued by the Audit Office against the Command Paymaster as imprestee. He appealed to the Minister of Defence under sections 66 and 67 of the Act, who decided that he be relieved from enforcement of the surcharge pending criminal action against Trooper Will and recovery of the £155 12s. from the insurance company. Under this decision the surcharge is still operative till the moneys are made good.)

Other surcharges issued were duly satisfied by payment of the sums in dispute.

Several peculations have taken place with regard to public moneys or property which have not been reported either to the Treasury or Audit, but treated as though they were merely a matter of departmental responsibility. As such practice is clearly not in conformity with the terms and intentions of the Public Revenues Act, instructions have been issued by the Treasury to Heads of Departments to the effect that immediately on the discovery of any peculation or financial irregularity by any officer of the Department or office under their control, they shall at once report the same to Treasury and Audit, so that a due and full understanding of the facts of the case may be obtained and action taken thereon.

Imperfect Vouchers.

Authority was given by the Minister of Finance under powers contained in section 69 of the Public Revenues Act, 1910, which enabled the Audit Office to pass certain claims without the production of supporting vouchers in the circumstances stated hereunder :—

- (1.) That receipts were not obtained :
- (2.) That it was not possible to obtain them :
- (3.) That they were lost and could not be replaced.

The total of claims so passed was £1,164 15s. 2d., the details of which appear in a schedule attached hereto.

Under authority contained in section 70 of the Public Revenues Act, 1910, the Audit Office passed certain vouchers as shown in the schedule attached, which were defective for want of certificates or other relative document.

*ACCOUNTS OUTSIDE PUBLIC ACCOUNT.**Accounts.*

The several accounts named below have been examined and certified to as required by section 86 of the Public Revenues Act, 1910, and will be transmitted to Parliament by the respective Departments concerned :—

Post Office Account.	State Advances.
Government Insurance.	Housing Account.
Government Accident Insurance.	Superannuation Funds.
Public Trust.	National Provident Fund.
State Fire Insurance.	

Local Authorities.

The improvement in the practice of local authorities noted in my report of last year as obviously resulting from more clearly defined legislation has continued during the year now under review, and it is pleasing to add that these bodies in general are recognizing that it is one of the chief aims of the Audit Office to aid rather than to embarrass them in deciding what are actually their statutory functions in cases where there are doubts on the subject, and to fulfil them accordingly.

There is a steadily growing radius of the sphere of operations of the Audit Office in connection with local authorities, involving corresponding increase in its staff of Audit Inspectors, and if the electric-power schemes develop to anything like the extent now indicated a further considerable addition of responsibility will fall on the Department.

In the meantime various improvements in the form of legislative amendment of the Counties and Municipal Corporations Acts, together with one or two minor Acts, have been suggested by the Audit Office, and should they become law they will have the effect of enabling the audit of all local-authority accounts to be carried out in as complete a manner as can well be devised or desired.

The recoveries and refunds of irregular or illegal general expenditure, and of adjustments of loan-moneys raised or diverted without statutory authority, enforced by Audit since my last report represent a very considerable total; but there has happily been only one case of a local-body officer's defalcations calling for criminal action, and in this the offender was sentenced to a term of imprisonment.

Imperial Government Supplies Department.

The Audit Office has continued the examination of the accounts of the Department of Imperial Government Supplies, the operations of which were not curtailed to any great extent during the past